Agenda Date: 8/18/04 Agenda Item: III H



## STATE OF NEW JERSEY

Board of Public Utilities Two Gateway Center Newark, NJ 07102 www.bpu.state.nj.us

**CABLE TELEVISION** 

IN THE MATTER OF THE PETITION OF )	
COMCAST CABLEVISION OF SOUTH )	<u>RENEWAL</u>
JERSEY, INC. FOR A CERTIFICATE OF )	CERTIFICATE OF APPROVAL
APPROVAL TO CONTINUE TO CONSTRUCT, )	
OPERATE AND MAINTAIN A CABLE )	
TELEVISION SYSTEM IN AND FOR THE CITY)	
OF MILLVILLE, COUNTY OF CUMBERLAND, )	
STATE OF NEW JERSEY	DOCKET NO. CE03030239

# SERVICE LIST ATTACHED

#### BY THE BOARD:

On June 23, 1982, the Board granted Harron Cablevision of New Jersey, Inc. ("Harron") a Certificate of Approval in Docket No. 842C-6898 for the construction, operation and maintenance of a cable television system in the City of Millville ("City"). On May 21, 1987, the Board approved the transfer of the Certificate from Harron to Sammons Communications of New Jersey, Inc. ("Sammons"), in Docket No. CM87030120. On June 3, 1993, the Board granted Sammons a Renewal Certificate of Approval in Docket No. CE92050600. On February 28, 1996, in Docket No. CM95080358, the Board approved the transfer of the Certificate of Approval from Sammons to Lenfest Atlantic, Inc. ("Lenfest"). On January 18, 2000, the Board approved Lenfest becoming a wholly-owned indirect subsidiary of Comcast Corporation in Docket No. CM99110855. On September 13, 2000, Lenfest's name was officially changed to Comcast Cablevision of South Jersey, Inc. ("Petitioner"). On September 9, 2003, the Petitioner informed the Board it would now be known as Comcast of South Jersey, Inc. Although the Petitioner's above referenced Certificate expired on June 3, 2003, it is authorized to continue to provide cable television service to the City pursuant to N.J.S.A. 48:5A-25, pending disposition of proceedings regarding the renewal of its Certificate of Approval.

The Petitioner filed an application for the renewal of its municipal consent with the City on August 28, 2002, pursuant to N.J.S.A. 48:5A-23 and N.J.A.C. 14:18-13. The City, after public hearing, adopted an ordinance granting renewal municipal consent to the Petitioner on February 18, 2003. The Petitioner formally accepted the terms and conditions of the ordinance on February 28, 2003, in accordance with N.J.S.A. 48:5A-24.

On March 28, 2003, pursuant to N.J.S.A. 48:5A-16, the Petitioner filed with the Board for a renewal of its Certificate of Approval for the City. The Board has reviewed the application for municipal consent, the petition for a Renewal Certificate of Approval and the municipal consent ordinance. Based upon this review and the recommendation of the Office of Cable Television, the Board HEREBY FINDS the following:

- 1. The Petitioner possesses the requisite legal, character, financial and technical qualifications for the awarding of a Certificate of Approval.
- 2. The design and technical specifications of the system shall ensure that the Petitioner provides safe, adequate and proper service.
- 3. The Petitioner has represented that all previously required construction within the franchise territory is complete.
- 4. The franchise period as stated in the ordinance is 15 years with an automatic renewal provision for a term of ten years thereafter pursuant to N.J.S.A. 48:5A-19 and -25. The Office of Cable Television finds these periods to be of reasonable duration.
- 5. The City has reserved the right to review the Petitioner's performance with regard to the ordinance. In the event that the City shall find that the Petitioner has not substantially complied with the material terms and conditions of the ordinance, the City shall have the right to petition the Board for appropriate administrative action, pursuant to N.J.S.A. 48:5A-47, provided however, that the City shall first have given the Petitioner written notice of all alleged instances of non-compliance and an opportunity to cure same within 90 days of that notification. If, after such reasonable notice and opportunity to cure, the Petitioner has not cured any such findings of non-compliance, the City may petition the Board for appropriate administrative action including modification and/or termination of the Certificate of Approval.
- 6. The Petitioner shall utilize the line extension policy ("LEP") attached to the Certificate (Appendix "I"). The minimum homes per mile ("HPM") figure is 35.
- 7. The Petitioner's rates shall be regulated and tariffs shall be filed for all services, in accordance with the rules and regulations of the Federal Communications Commission, the Board and the Office of Cable Television. The Petitioner shall maintain informational tariffs for unregulated service rates, and promptly file any revisions thereto.
- 8. Pursuant to statutory requirements, the ordinance specifies a complaint officer to receive and act upon complaints filed by subscribers in the City. In this case, it is the Office of Cable Television. All complaints shall be received and processed in accordance with any applicable rules.
- 9. The Petitioner shall maintain a local business office or agent for the purpose of receiving, investigating and resolving complaints. The Petitioner currently maintains a local office located at 301 N. Main Street in Vineland, New Jersey as well as several other locations within the system.
- 10. The franchise fee to be paid to the City is specified to be 2% of the Petitioner's gross revenues from all recurring charges in the nature of subscription fees paid by subscribers for its cable television reception service in the City. Additional regulatory fees shall be paid to the State in an amount not to exceed 2% of Petitioner's gross

- operating revenues derived from intrastate operations. The Board finds these fees to be reasonable.
- 11. The Petitioner shall provide public, educational, and governmental ("PEG") access equipment and facilities as described in the application and the ordinance. The Petitioner currently provides one system-wide channel for local origination programming and one system-wide access channel for PEG access. The Petitioner has the capability to carry ¾" and ½" VHS format video tapes.
- 12. Within 12 months of the receipt of this Certificate, the Petitioner shall:
  - a. Activate a dedicated government access channel for the City, which may be utilized by qualified individuals and organizations for the cablecasting of non-commercial access programming. The Petitioner will provide and maintain the cable, modulators and equipment necessary for the City educational/governmental channel to send and receive the return feed of the signal. The Petitioner will not be responsible for the maintenance of any studio equipment used for the access channel including but not limited to cameras, editing decks, monitors and character generators.
  - b. Construct a dedicated fiber optic return line to a location designated by the City for the purpose of cablecasting live and/or recorded programming on the educational/governmental access channel. Upon reasonable written request, the City shall notify the Petitioner regarding the location for the dedicated fiber return line.
  - c. Construct a dedicated fiber optic return line from the municipal building to the high school.
  - d. Construct a dedicated fiber optic return line from the municipal building to the Culver Administration Building.
  - e. Realign the Laurel Lakes section of the City to feed from the existing headend that services all other sections of the City.
  - f. Provide the City with a one-time technology grant of \$25,000.00 for the purchase of video production equipment or any other technology related purpose the City deems appropriate.
- 13. Upon completion of the requirements contained Provision No. 12 above, the Petitioner shall submit proof to the Office of Cable Television indicating its compliance with the provisions.
- 14. The Petitioner shall provide Total Preferred cable television service, or its equivalent, on one outlet, free of charge, to each school in the City, provided the school is located within 200 feet of active cable distribution plant. The school shall pay for each additional outlet installed by the Petitioner. The Petitioner shall waive monthly service charges for any additional outlets.
- 15. The Petitioner shall provide Total Preferred cable television service or its equivalent, on one outlet, free of charge, to each of the following: a) police and fire station; b) emergency management facility; and c) public library in the City, provided the facility is located within 200 feet of active cable distribution plant. The City shall pay for each

- additional outlet to any of the above facilities; however, the Petitioner shall waive monthly service charges for additional outlets.
- 16. The Petitioner shall provide free basic Internet service via high-speed cable modem on one non-networked personal computer in each qualified existing and future school in the City, at no charge, provided the facility is within 200 feet of active cable distribution plant. The Internet service shall be installed on a personal computer that is accessible to the students and shall not be used for administrative purposes only.
- 17. The Petitioner shall provide free basic Internet service via high-speed cable modem on one non-networked personal computer in each qualified existing and future public library in the City, at no charge, provided the facility is within 200 feet of active cable distribution plant. The Internet service shall be installed on a personal computer that is accessible to the library patrons and shall not be used for administrative purposes only.

Based upon these findings, the Board <u>HEREBY CONCLUDES</u> that, pursuant to <u>N.J.S.A.</u> 48:5A-17(a) and 28(c), the Petitioner has the municipal consent necessary to support the petition, that such consent and issuance thereof are in conformity with the requirements of <u>N.J.S.A.</u> 48:5A-1 <u>et seq.</u>, that the Petitioner has complied or is ready to comply with all applicable rules and regulations imposed by or pursuant to State and federal law as preconditions for engaging in the proposed cable television operations, that the Petitioner has sufficient financial and technical capacity, meets the legal, character and other qualifications necessary to construct, maintain and operate the necessary installations, lines and equipment, and is capable of providing the proposed service in a safe, adequate and proper manner.

Therefore, the Petitioner is <u>HEREBY ISSUED</u> this Renewal Certificate of Approval as evidence of Petitioner's authority to construct and operate a cable television system within the entirety of the City.

It is noted that the Petitioner was the owner of a second Certificate that was issued to Clover Cable Systems, Inc. ("Clover"), which was authorized to provide cable service to the Laurel Lake section of the Borough, pursuant to Docket No. CE85030254. On or about July 18, 1989, the Board approved the transfer of assets from Clover to Atlantic Cable Television Limited Partnership ("Atlantic"), in Docket No. CM89050489. On March 31, 1993, in Docket No. CM92101022, the Board approved the transfer of the Laurel Lake Certificate from Atlantic to South Jersey Cablevision Associates ("SJCA"). On May 20, 1996, the Board approved the sale of SJCA to Lenfest Atlantic, Inc. d/b/a Suburban Cable ("Lenfest") in Docket No. CM95120611. On January 18, 2000, the Board approved the merger of Lenfest and Comcast Cable Communications, Inc. in Docket No. CM99110855. On or about September 13, 2000, Lenfest formally changed its name to Comcast Cablevision of South Jersey, Inc. ("Petitioner"). It is noted that the Petitioner's Certificate issued to Clover expired on October 10, 2000. The Petitioner had notified the Borough that it would allow the Clover's Certificate to expire and would incorporate the Laurel Lake section into the entirety of the Borough's franchise territory, as referenced in provision No. 12. The Borough agreed.

This Certificate is subject to all applicable State and federal laws, the rules and regulations of the Office of Cable Television, and any such lawful terms, conditions and limitations as currently exist or may hereafter be attached to the exercise of the privileges granted herein. The Petitioner shall adhere to the operating standards set forth by the Federal Communications Commission's rules and regulations, 47 <u>C.F.R.</u> §76.1 <u>et seq.</u> including but not limited to, the technical standards 47 <u>C.F.R.</u> §76.601 through §76.630. Any modifications to the provisions thereof shall be incorporated into this Certificate.

Failure to comply with all applicable laws, rules, regulations and orders of the Board or the Office of Cable Television and/or the terms, conditions and limitations set forth herein may constitute sufficient grounds for the suspension or revocation of this Certificate.

This Renewal Certificate is issued on the representation that the statements contained in the Petitioner's applications are true, and the undertakings therein contained shall be adhered to and enforceable unless specific waiver is granted by the Office of Cable Television pursuant to the authority contained in N.J.S.A. 48:5A-1 et seq.

This Certificate shall expire January 12, 2017.

DATED: 8/19/04

BOARD OF PUBLIC UTILITIES

BY:

/ PRESIDENT

FREDERICK F. BUTLER

COMMISSIONER

CONNIE O. HUGHES COMMISSIONER

ATTEST:

KRISTI IZZO SECRETARY CAROL J. MURPHY

**CØMMISSIONER** 

JACK ALTER COMMISSIONER

# **SERVICE LIST**

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# Office of Cable Television Line Extension Policy

Company

Comcast Cablevision of South Jersey

Municipality Docket No. City of Millville CE03030239

A cable operator is required to absorb the cost of extensions to the system in the same proportion that the extension is to the remainder of the system.

Actual subscribers served by the extension are required to absorb the remainder of the cost.

If new subscribers are added to the extension the cost is adjusted and those who previously paid receive an appropriate rebate.

1. # of homes in extension mileage of extension

homes per mile (HPM)

of extension

2. HPM of extension
Minimum HPM that
company actually
constructs in the
system \*

ratio of the density
of the extension to the
minimum density which the
company constructs in the

system ("A")

3. Total cost of building the extension times "A"

company's share of

extension cost

 Total cost of building extension less company's share of extension cost total amount to be recovered from subscribers

5. Total amount to be recovered from subs
Total subscribers in extension

each subscriber's share

In any case, the company shall extend its plant along public rights of way to:

- 1. All residences and businesses within 150 aerial feet of the operator's existing plant at no cost beyond the normal installation rate.
- 2. All residences and businesses within 100 underground feet of the operator's plant at no cost beyond the normal installation rate.

<sup>\*</sup> The minimum HPM that the company actually constructs in the system or municipality is the minimum number of homes which the company has historically constructed at its own cost. This is a function of the operator's break even point and its rate of return. Unbuilt systems will use the primary service area rather than construction.

The operator's installation policies shall apply to construction beyond the public right of way.

Detailed accounting and/or financial information to support the minimum HPM shall be supplied to the Office for its approval in such form as required. The minimum HPM shall be updated as appropriate.

When a request for service is received, and unless good cause is shown, cable companies shall:

- 1. Provide a written estimate within 30 days of such a request.
- 2. Begin construction within 60 days of receipt of any deposit monies from potential subscribers.
- 3. Complete construction within six months of receipt of any deposit monies from potential subscribers.
- 4. Inform each home passed along the extension of the potential costs for subscribers.

Subscribers who pay for an extension shall be entitled to rebates in the following manner:

- 1. If the company acquires new subscribers subsequent to the initial calculation of step 5 above, the formula will be adjusted and those who have previously paid for the extension will be entitled to an appropriate rebate. In no event shall the amount of the rebate exceed the subscriber's contribution.
- 2. The company shall keep accurate records of the cost of the extension, the amounts paid by subscribers and any appropriate adjustments.
- 3. The company shall notify subscribers in the extension of their rights and responsibilities concerning the extension.
- 4. Once an individual dwelling has paid its share of the extension cost future reconnections or installations shall be made at the company's standard rates.
- 5. After a period of five years from the installation of the first dwelling unit in the extension no further adjustments shall be made. Installations after five years shall be at the company's standard rate.
- 6. Once a subscriber is installed, that person shall not normally be entitled to a refund of any monies paid for the installations, except in accordance with the rebate procedure outlined in this policy.

#### **Definitions**

## Primary Service Area

The Primary Service Area (PSA) can be an entire municipality but in many instances, the PSA is a limited area within a community outside of which a line extension policy may apply. The PSA is depicted by a franchise map and narrative, presented and recorded during the franchise proceedings. It normally remains a fixed geographic area throughout the life of the franchise.

# **Line Extension Survey**

Potential subscribers residing outside the PSA who request service are entitled to an estimate of their share of the cost to secure service. When conducting a survey and estimating costs, a cable company should factor-in all potential subscribers who could practicably be included in the extension and give consideration to apparent residential construction in areas contiguous to the proposed extension.